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SENATE BILL 158

43RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1998

INTRODUCED BY

WILLIAM H. PAYNE

AN ACT

RELATING TO INSURANCE AGAINST UNINSURED MOTORISTS; REQUIRING AN ELECTION TO STACK COVERAGE LIMITS; ALLOWING EXCLUSION OF COVERAGE FOR PUNITIVE AND EXEMPLARY DAMAGES; SPECIFYING THE EXTENT OF COVERAGE FOR PROPERTY; AMENDING A SECTION OF THE NMSA 1978.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 66-5-301 NMSA 1978 (being Laws 1978, Chapter 35, Section 325, as amended) is amended to read:

"66-5-301. INSURANCE AGAINST UNINSURED AND UNKNOWN MOTORISTS--REJECTION OF COVERAGE BY THE INSURED.--

A. No motor vehicle [~~or automobile~~] liability policy insuring against loss resulting from liability imposed by law for bodily injury or death suffered by any person and for injury to or destruction of property of others arising out

Underscored material = new  
[bracketed material] = delete

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1 of the ownership, maintenance or use of a motor vehicle shall  
2 be delivered or issued for delivery in New Mexico with respect  
3 to any motor vehicle registered or principally garaged in New  
4 Mexico unless coverage is provided therein or supplemental  
5 thereto in minimum limits for bodily injury or death and for  
6 injury to or destruction of property as set forth in Section  
7 66-5-215 NMSA 1978 and such higher limits as may be desired by  
8 the insured, but up to the limits of liability specified in  
9 bodily injury and property damage liability provisions of the  
10 insured's policy, for the protection of persons insured  
11 thereunder who are legally entitled to recover damages from  
12 owners or operators of uninsured motor vehicles because of  
13 bodily injury, sickness or disease, including death, and for  
14 injury to or destruction of property resulting therefrom,  
15 according to the rules and regulations promulgated by, and  
16 under provisions filed with and approved by, the  
17 superintendent of insurance.

18 B. The uninsured motorist coverage described in  
19 Subsection A of this section shall include underinsured  
20 motorist coverage for persons protected by an insured's  
21 policy. For the purposes of this subsection, "underinsured  
22 motorist" means an operator of a motor vehicle with respect to  
23 the ownership, maintenance or use of which the sum of the  
24 limits of liability under all bodily injury liability  
25 insurance applicable at the time of the accident is less than

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1 the limits of liability under the insured's uninsured motorist  
2 coverage. [~~No motor vehicle or automobile liability policy~~  
3 ~~sold in New Mexico shall be required to include underinsured~~  
4 ~~motorist coverage until January 1, 1980.~~]

5 C. Unless a named insured makes an express  
6 election to stack uninsured motorist coverage limits for two  
7 or more insured vehicles by adding such limits together, the  
8 limits shall not be stacked. An insurer shall notify its  
9 policyholders in writing that they may elect to stack  
10 uninsured motorist coverage limits.

11 [~~C. The~~] D. Uninsured motorist coverage shall  
12 [~~provide an exclusion~~] exclude coverage of not more than the  
13 first [two hundred fifty dollars (\$250)] five hundred dollars  
14 (\$500) of loss resulting from injury to or destruction of  
15 property of the insured in any one accident and may exclude  
16 coverage of punitive or exemplary damages. The named insured  
17 shall have the right to reject the uninsured motorist coverage  
18 [~~as~~] described in [~~Subsections A and B of~~] this section;  
19 provided that unless the named insured requests such coverage  
20 in writing, such coverage need not be provided in or  
21 supplemental to a renewal policy where the named insured has  
22 rejected the coverage in connection with a policy previously  
23 issued to him by the same insurer.

24 E. Uninsured motorist coverage for injury to or  
25 destruction of property extends only to the insured vehicle

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1 described in the policy and to property not otherwise insured  
2 carried in or upon the vehicle."

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1 FORTY-THIRD LEGISLATURE  
2 SECOND SESSION, 1998  
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6 January 30, 1998  
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8 Mr. President:  
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10 Your COMMITTEES' COMMITTEE, to whom has been referred  
11

12 SENATE BILL 158  
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14 has had it under consideration and finds same to be GERMANE,  
15 pursuant to Senate Executive Message No. 22, and thence referred to  
16 the JUDICIARY COMMITTEE.  
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19 Respectfully submitted,  
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Manny M. Aragon, Chairman

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Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_

(Chief Clerk)

(Chief Clerk)

Date \_\_\_\_\_

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